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RWANDA PRIVATE SECTOR DRIVEN AGRICULTURAL GROWTH (PSDAG)

FISCAL YEAR (FY) 2016

QUARTERLY PROGRESS REPORT: OCTOBER 1, 2015 – DECEMBER 31, 2015



January 2016

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Cover photo: PSDAG COP with representatives of 6 Potato Collection Centers (COIMU, COAPOM, KMTB, COVMB, COAPB,) shaking hands after a grants signing ceremony on December 10, 2015 at PSDAG Office in Kigali.

DISCLAIMER

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ACRONYMS

| Acronym | Definition |
|-----------|---|
| A2F | Access to Finance |
| ADS | Automated Directive System |
| ALIS | Agricultural Land Information System |
| AMIR | Association of Microfinance Institutions in Rwanda |
| ASWG | Agriculture Sector Working Group |
| BRD | Banque Rwandaise de Developement |
| COP | Chief of Party |
| CRI | Cambridge Resources International |
| CRS | Catholic Relief Services |
| CSP | Cooperative Support Program |
| DCOP | Deputy Chief of Party |
| DFAs | District Field Agents |
| EAG | East African Growers |
| EAX | East African Exchange |
| EIA | Embedded Investment Advisor |
| EMMP | Environmental Mitigation Monitoring Plan |
| FECOPORWA | Federation des Cooperatives des Agriculteurs de la Pomme de Terre au Rwanda |
| FTFMS | Feed the Future Monitoring System |
| GAP | Good Agricultural Practice |
| GOR | Government of Rwanda |
| IFC | International Finance Corporation |
| IFDC | International Fertilizer Development Corporation |
| IPAR | Institute of Policy Analysis and Research |
| IRG | International Resources Group |
| ISU | Investment Support Unit |
| LAIS | Land Administration Information System |
| LTTA | Long –Term Technical Assistance |
| M&E | Monitoring and Evaluation |
| MFI | Micro Financial Institution |
| MINAGRI | Ministry of Agriculture and Animal Resources |
| MINECOFIN | Ministry of Economics and Finance |
| MINICOM | Ministry of Trade and Commerce |
| MoU | Memorandum of Understanding |
| NAEB | National Agricultural Export Development Board |

| | |
|---------|--|
| PERSUAP | Pesticide Evaluation Review and Safe Use Action Plan |
| PHH | Post-Harvest Handling |
| PPD | Public Private Dialogue |
| PPP | Patient Procurement Platform |
| PPP | Public Private Partnership |
| PRTC | Potato Regional Trading Company |
| PSDAG | Private Sector Driven Agricultural Growth |
| PSF | Private Sector Federation |
| PSTA | Plan for Transformation of Agriculture in Rwanda |
| RAB | Rwanda Agricultural Board |
| RCA | Rwanda Cooperative Agency |
| RDB | Rwanda Development Board |
| REoI | Request for Expression of Interest |
| RFA | Request for Applications |
| RFP | Request for Proposals |
| RPPD | Rwanda Public Private Dialogue |
| SOW | Statement of Work |
| SITA | Supporting India Trade and Investment for Africa |
| SPIDS | Senior Policy and Institutional Development Specialist |
| SSTWG | Sub-Sector Technical Working Group |
| STTA | Short-Term Technical Assistance |
| TOR | Terms of Reference |
| TWG | Technical Working Group |
| USAID | United States Agency for International Development |
| USD | United States Dollars |
| VAC | Voluntous Agricon |
| VC | Value Chain |
| VCCGs | Value Chain Competitiveness Grants |
| VFC | Vision Finance Corporation |
| VFC | Vision Finance Corporation |
| WFP | World Food Program |

1. PROJECT PERFORMANCE

1.2.1. OBJECTIVE 1: ASSIST GOR TO INCREASE PRIVATE SECTOR INVESTMENT

Summary of Objective 1 accomplishments in Q1, 2016:

- Facilitated formation of technical working group and stakeholder feedback workshops, resulting in 52 private and civil-sector stakeholders responding to calls for input on relevant reforms;
- Facilitated analysis and contributed to 5 different agricultural-related policies and reforms covering the following areas:
 1. National Agribusiness Strategy and Investment Promotion Framework (NAS TWG);
 2. Agricultural Land Information System (ALIS);
 3. Airfreight Competitiveness;
 4. Rwanda National Seed Policy reform;
 5. Rwanda Development Bank Implementation Strategy.
- Continued to support Investment Support Unit (ISU) and Rwanda Development Board (RDB) through technical assistance provided by PSDAG Embedded Investment Advisors (EIAs); and
- PSDAG District Field Agents (DFAs) supported 751 existing and 118 new agro-dealers to purchase 7,000 MT (USD \$3.3 M) of fertilizer from private sector providers under the fertilizer distribution system.

1.2.1.1. INTERMEDIATE RESULT 1.1: ESTABLISH AN INVESTMENT FRAMEWORK

Activity 1 Facilitate Creation of Investment Framework for Agriculture Investment Promotion as part of the National Agribusiness Strategy

During the month of October, a consultant completed a draft report to assess the agricultural investment process and framework. A presentation was made to the Minister of State for MINAGRI and USAID on October 20, 2015. Damian's recommendations included a sample NAS outline, a sample Investment Promotion Framework, and an action plan for completing the two. PSDAG presented the findings to the Agribusiness Sector Working Group on November 24th. The presentation included the TOR and Action Plan for the NAS TWG and the proposal for piloting a National Public/Private Dialogue process for agriculture.

On behalf of the ISU, PSDAG drafted an invitation letter and recommended ten (10) GOR institutions and donor organizations to participate in the NAS TWG that will draft the National Agribusiness Strategy and Investment Promotion Framework. The first TWG meeting was conducted on November 20, where members agreed on a terms of reference (TOR) and initial action plan for the group.

Also in November, PSDAG recruited an STTA for the development of the NAS. The STTA started work late December by reviewing relevant documents and conducting initial research on similar strategies in other countries. They will closely work with the NAS TWG to complete the national documents in time for the World Economic Forum (WEF) and Grow Africa Investment Forum (GAIF), which is now expected to be held in May, rather than in June.

On December 15, a second TWG meeting was held to present the initial findings. Findings included examples of similar agribusiness strategies in neighbouring East African countries and an initial outline of the objective, intended audience, and contents of the NAS were presented for comments and feedback from the group. The TWG also discussed mechanisms for engaging the private sector for input and feedback for the NAS. Mr. Kruse will conduct follow up TWG beginning in January during which the TWG members will help finalize the outline and begin gathering information for the content. It is expected that a first draft for review by the Agriculture Sector Working Group will be ready by mid-February, with a final draft to be presented to GOR by April 1.



Photo 1: NAS TWG Meeting preparing TORs for the National Agribusiness Strategy and Investment Promotion Framework at Lemigo Hotel, November 20, 2015



Photo 2: Participants following a presentation on policy recommendations from Rwanda Airfreight Competitiveness Study, December 2, 2015, Kigali

1.2.1.2. INTERMEDIATE RESULT 1.2: IDENTIFY AND DEFINE ROLES AND RESPONSIBILITIES OF PUBLIC ENTITIES

Activity 2 Develop Implementation Strategy of the Investment Framework

Interventions under this activity are dependent on the completion and acceptance of the NAS and IF documents as discussed under Intermediate Result 1.1. Implementation should begin in Q3.

Activity 3 Provide Technical Assistance to Investment Support Unit

During Q1, EIAs continued to work at MINAGRI and began working at RDB to provide technical assistance. Currently, the EIAs act as the main point of contact for investors seeking additional information or assistance to invest in agriculture in Rwanda. In addition, they provide support to GOR to privatize government owned assets and businesses.

At the ISU, the EIA worked on several requests to identify land requested by potential investors. Under the current system, investors contact MINAGRI or RDB with their requirements. The request is then passed to the EIA who evaluates the investor's business plan and makes recommendations to the Ministry about viability of the business. Once approved, the EIA works with NAEB and RAB to identify a region that would be suitable based on the type of crop the investor would like to plant. Once identified, the EIA then uses the Excel-based database to locate plots of appropriate size within the suggested region and then contacts the local district agronomist for more information on those sites. The EIA then accompanies the investor to these sites for inspection of actual size, suitability, and current land use and ownership. During Q1, two horticulture investors were successfully allocated land: Proxifresh received 200 ha to replace land that had been previously allocated that was not suitable, and Boom Hills Rwanda received 5 out of 70 ha requested. NAEB was allocated 250 ha of land set aside for horticulture development but not yet allocated to private investors.

Also during Q1, the EIA assisted MINAGRI with compiling a 'pitch book' for investors regarding the top 20 irrigation schemes (profiled by Africa LEAD and the World Bank in 2015) and 10 large irrigated terraced sites. The purpose of the booklet is to provide investors with more accurate information regarding these sites that will make investment easier and avoid future complications. For example, one investor threatened to withdraw of their planned investment once they discovered issues with the type of irrigation infrastructure located on the land they were allocated. The investor was also having issues successfully negotiating with local small holder farmers for sub-lease of the land. MINAGRI is currently working on new solutions to salvage the investment.

These activities exemplify the challenges faced by GOR in accurately and efficiently addressing investors' needs, especially concerning land and infrastructure. Addressing some of these challenges is the main goal behind the implementation of the Agriculture Land Information System (ALIS) that is planned to take place in Q2 (See Activity 3.3).

In October, the EIA assisted MINAGRI and the National Youth Council with creating a concept note for a Youth in Agribusiness Forum. The purpose of the forum is to create a platform for collaboration between GOR and donor initiatives specifically for youth in agribusiness. MINAGRI has realized there are a lot of resources available to assist youth but they are not well-coordinated and youth are not aware of them. MINAGRI plans to hold the forum in Q2.

The International Trade Center is funding the Supporting India Trade and Investment for Africa (SITA) program, which aims to increase trade between India and African countries, especially in the area of essential

oils and spices such as ginger and chilli pepper. The guarantee scheme is to be coordinated by MINICOM and funded by BRD. The EIA was asked to review the feasibility study and to help the program identify potential producers that could benefit from the export guarantee scheme. The EIA will coordinate with PSDAG C2 staff to link SITA and MINICOM to grantees who intend to export. At this time, it is not known exactly when MINICOM and BRD will be ready to launch the guarantee scheme, however.

The RDB EIA started work on November 16, 2015 and began by reviewing both PSDAG and RDB work plans and working documents. The EIA also attended the international conference on Promoting Innovation and Trade in Horticulture.

During December, the RDB EIA assisted with Public-Private Partnerships (PPP) and privatization of GOR investments through participation in the review of a call for bids. GOR issued the call for bids to privatize three investments; the Fish Collection Center located at Kigali Free Economic Zone, the Hatchery Factory located in Rubirizi-Kigali, and the Seed Production Factory located at Kigali Free Economic Zone. Only one company submitted a bid for the Fish Collection Center and three international companies submitted their bids on the Hatchery Factory. There was no submission for the Seeds Production Factory. The opening session was attended by bidders, officials from RDB, officials from MINAGRI, and officials from Ministry of Finance and Economic Planning (MINECOFIN).

Sub Activity 3.3 Agriculture Land Information System (Land Database) Proof of Concept

In October, PSDAG hired a consultant to conduct an initial assessment of what would be needed to establish an interactive Agriculture Land Information System (ALIS) that would provide information on available public marshlands. The system will be linked to Rwanda National Resource Authority's (RNRA) Land Administration Information System (LAIS), the country's cadastral system. The concept behind ALIS is the creation of a web-based resource that could be used to assist GOR with investment decisions in agriculture. As such it would be loaded with relevant data, which would then be available for access by MINAGRI and partner organizations. It would contain all the key information that MINAGRI and potential investors need including access to various spatial data layers, location of current GOR investments (irrigation schemes and related cost, large substantial private agricultural investment), current land use and proposed land use, soil types, rainfall and whether data, list of all occupying farmers, their land (size) and ownership status, among other things. The SITA report explained the potential capabilities of the system, interoperability with LAIS and other datasets owned by GOR and pertaining to land, and contained a roadmap and cost estimates for implementation.

The report was shared with MINAGRI and USAID for their comments on December 11. Subsequently, PSDAG agreed to support the data collection process for an initial 496 parcels that are 10 ha and above and to support the hiring of a developer firm to establish the system. For their part, MINAGRI has agreed to do the following:

- Facilitate access for the developer firm to all datasets needed for ALIS phase 1 (engage all government institution custodians of data needed to share it with the hired firm);
- Nominate and commit at least two staff (GIS and system administrator) to work hand in hand with the firm implementing ALIS phase 1;
- Ensure staff nominated are available and committed to training provided by the hired firm;
- Commit staff to and avail ALIS phase 1 maintenance costs as presented in the report (estimated at USD \$47K per year);
- Set up a change management team/committee which will oversee/suggest changes to ALIS and its implementation, and gather all new datasets from different projects/departments;

- Ensure new data/datasets are regularly uploaded to the system;
- Mobilise funds for ALIS phase 2 and 3 implementation, if deemed necessary.
- Secure agreement in writing with RNRA for access to LAIS and development of an Application Programming Interface (API).

PSDAG will continue to oversee the data collection and database development phases in Q2. PSDAG and MINAGRI hope to have the system established in time for the WEF and GAIF to be held May 10 to 14.

The implementation of ALIS will require PSDAG to submit information regarding the proposed system to USAID Washington DC in compliance with ADS 548, which is required for all IT-related projects exceeding the threshold of USD \$100K. The PSDAG IT Specialist began the process in late December. In early Q2, PSDAG will meet with the MINAGRI IT to complete the ADS 548 information template to submit for approval to USAID.

1.2.1.3. INTERMEDIATE RESULT 1.3: STRENGTHEN CAPACITY OF RELEVANT PUBLIC ENTITIES

Activity 4 Develop Capacity Building Tools and Plans

Interventions under this activity are dependent on the completion and acceptance of the NAS and IF documents as discussed under Intermediate Result 1.1. It is expected that this will begin in Q4 of FY2016.

Activity 5 Assist with Public Private Partnership and Privatization Models

In October, PSDAG consulted with RAB to understand their Small Scale Irrigation Program (SSIT) that provides a 50% subsidy to farmers to purchase small scale irrigation equipment (i.e. drip irrigation and pumps) for 1 ha, 2 ha, and 10 ha plots. RAB has experienced challenges in finding farmers with enough financial capacity to contribute their 50% cost-share under this program. RAB initially requested that PSDAG assist by providing an additional 25% subsidy on behalf of the farmers. Currently the program does not pro-actively link farmers investing in irrigation equipment to commercial opportunities to sell their produce. Therefore, PSDAG suggested using the grant mechanism to link these farmers to commercial opportunities and develop more formal relationships with buyers. The model would then enable the farmers to access small loans from either buyers or financial institutions for their part of the cost-share. In November, RAB shared a concept note for PSDAG to review and provide feedback. The PSDAG Access to Finance team and the EIA for MINAGRI will continue to work with RAB on a model that is in line with PSDAG's market facilitation approach in Q2.

Activity 6 Business Enabling Environment: Assist with Policy Analysis and Reform Recommendations

1. **National Agribusiness Strategy and Investment Promotion Framework** – see Activity 1.
2. **Poultry Value Chain Competitiveness Study** – In October, PSDAG published a Request for Proposals (RFP) from eligible consultancy firms for the poultry competitiveness study in Rwanda. In November, Cambridge Resources International (CRI) was competitively recruited to carry out the study on competitiveness of Rwanda's poultry sector.
3. **National Seed Policy, Law and Ministerial Orders** - In November, PSDAG SPIDS participated in the finalization of the National Seed Policy document through the Seed Sector Working Group. In

December, the ASWG incorporated Ministerial Orders in the policy document and approved the seed policy, marking the conclusion of the policy review process. MINAGRI is expected to submit the policy to the Cabinet to be gazetted and then operationalized in January.

4. **Rwandan Development Bank (BRD) Implementation Strategy** – See Objective 2, Activity 21.
5. **Fertilizer Administrative Procedures** - During Q1, 2016, PSDAG facilitated three joint monthly meetings between PSDAG District Field Agents (DFAs) and MINAGRI/Rwanda Agriculture Board (RAB), to get updates on fertilizer and seed use by farmers. The meetings were held on October 7-8, October 29-30, and November 26-27 in Kigali, Rubavu and Kigali, respectively. During the period October – December, 5,460 MT (at an estimated cost of USD \$2.7 M) of fertilizer was supplied by importers to agro-dealers, and during the same period 7,000 MT (USD \$3.5 M) was sold by agro-dealers to the farmers. Also during Q1, 118 new agro-dealers were recruited to participate in the subsidy program.
6. **Rwanda Airfreight Competitiveness Study** - During October, PSDAG Objective 1 staff liaised with the consultant, Institute of Policy Analysis and Research (IPAR), to ensure that stakeholders' input was incorporated into the final version of Rwanda's airfreight competitiveness study. In addition, discussion sessions were conducted with RDB, BRD, Ministry of Trade and Commerce (MINICOM), Private Sector Federation (PSF), and National Agricultural Export Development Board (NAEB) on the best approach to make use of the findings from the report. A final dissemination workshop was conducted on December 2, 2015, with various stakeholders where PSDAG presented the findings of the study to private and civil stakeholders for input on the way forward. The following suggestions were made:
 - a. PSDAG should support a second analysis to look into how an airfreight cargo space aggregation and exchange, along with cargo subsidies have been implemented in other developing countries.
 - b. PSDAG should then conduct a feasibility analysis for pilot exchange models for Rwanda. That analysis can then be presented to exporters for input and feedback, possibly through a national PPD forum. The group recommended having MINAGRI and/or MINICOM drive the process of presenting recommendations to GOR for reforms.
 - c. MINICOM and IFC said they could help with information regarding current and projected exports for horticulture for the feasibility study. MINICOM will be conducting a survey in early 2016 to gather this data.

After the meeting, PSDAG discovered that Trademark had funded a study for a similar idea called e-Freightex that would be an online exchange service for freight carriers, logistics providers, freight-forwarders, and related service providers in the East African region. Trademark indicated that the project is still in their pipeline and has not yet been implemented.

PSDAG will continue to follow up with stakeholders, such as Trademark, MINICOM and MINAGRI on implementation of recommendations from the study.

1.2.1.4. INTERMEDIATE RESULT 1.4: ENHANCE THE ABILITY OF GOVERNMENT AND BUSINESS TO PRODUCTIVELY ENGAGE EACH OTHER

Activity 7 Provide Technical Assistance to GoR to Improve Quality and Efficiency of Public/Private Dialogue

In FY2015, MINAGRI and PSF requested that PSDAG assist with the revamping of the PPD process, but to ensure that the new process would provide a standardized model for implementation that was more effective. In October, a consultant completed a draft report to assess the current status of PPD for agriculture in response to that request. On October 16, Damian presented his findings and recommendations to other donors (GIZ, IFC, and the Dutch Embassy) that have been heavily involved with the PPD process thus far. The PPD process has been successful at the district level with the help of these organizations. The consultant recommended piloting a similar model at the national level. This would involve establishing and utilizing PPD Champions at various levels at national institutions. GIZ will be piloting a national level mechanism in January, 2016, but will not cover the agriculture sector. International Finance Corporation (IFC) will continue with their current pilot of national level PPD through the Horticulture Sector Working Group.

PSDAG presented the findings at the Agribusiness Sector Working group on November 24. Also in November, PSDAG identified a consultant to provide support in piloting a national PPD platform for agriculture. The consultant will help revamp the PPD process at the national level that it functions as well as it does at the district level in relation to agricultural investments. In December, the STTA was contracted and two meetings were held with the consultant, aimed at contextualizing the assignment. The consultant is scheduled to be in-country by mid-January, 2016.



Photo 3: PSDAG DFAs in a group discussion during Monthly DFA Meeting held on November 26-27, 2015 at PSDAG

1.2.2. OBJECTIVE 2: FACILITATE INCREASE PRIVATE SECTOR INVESTMENT TO UPGRADE VALUE CHAINS

Summary of Objective 2 achievements in Q1, 2016:

- Finalized partnerships with six (6) cooperatives to support upgrading of 10 Potato Collection Centers and provision of business development services via Farmbook, supporting 2,347 farmers in Rubavu, Nyabihu, and Musanze Districts;
- Finalized partnerships with two (2) private sector entities, Hollanda Fair Foods and Kigali Farms;
- Provided support to eight (8) cooperatives to access capital in order to establish additional Potato Collection Centers;
- Provided technical assistance for Rwanda Development Bank (BRD) to develop Agriculture Financing Operational Plan for newly established Agriculture Department;

1.2.2.1. INTERMEDIATE RESULT 2.1: IDENTIFY MARKET OPPORTUNITIES AND LINK VC ACTORS TO OPPORTUNITIES

Activity 8 Mapping Market Opportunities

Maize and Potato Consolidation Network Analysis

Under the Value Chain Competitiveness Grants (VCCGs), PSDAG intends to support a range of grantees involved in maize and potatoes. It is therefore, important for PSDAG to ensure that potential grantees achieve the program's objectives within its maize value chain strategy. In analyzing the different roles of each grantee, PSDAG considered the network of primary suppliers and buyers in these two value chains. The goal is to ensure that producers have the capacity to reach target markets, delivering the type and quality of product demanded by the buyers, regardless of which entity receives the grant. Moreover, it was important for PSDAG to assess any overlap, leveraging the partnerships to achieve the greatest impact without double counting results. Therefore, PSDAG created two reports for the maize and potato value chains that analysed the role partners' play in the value chain and the consolidator network around these value chains where the project is intervening. The information for the maize value chain includes maize grain off takers and projected capacity, profitability for farmers of various off taker and aggregator/storage models, historical price changes, and known warehouses and capacity by district. In addition, PSDAG analysed the affordability and feasibility various types and combination of post-harvest handling of equipment proposed by grantees. The information for the potato value chain includes potato off takers / aggregators and suppliers. A key aspect of the PSDAG approach is to work with buyers and aggregators to reach and benefit farmers who supply to these markets. These analyses help to demonstrate linkages to cooperative and farmers who will benefit from these partnerships, assess coverage and prevent double counting.

Annual Program Statement

In November, PSDAG published an Annual Program Statement (APS) under which the project will accept concept notes for new grants on a rolling basis. In December, an APS 2-pager was designed and will be distributed to stakeholders (including districts) in Rwanda as promotion and information material for the program. See Annex III.

Activity 9 Linking Market Opportunities to Value Chain Actors

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Value Chain Competiveness Grants

Activities conducted during Q1, include pre-award assessments, assessing technical and financial viability of grantee proposals, conducting grant budget negotiations, and packaging grants to be submitted for USAID approval.

USAID Site Visit

On December 16, a USAID team visited two selected grantee candidates, Kigali Farms and Hollanda Fair Foods. On December 22, USAID approved the grant concepts of the two companies. PSDAG anticipates sending an additional nine (9) grants to USAID for approval during January 2016.

1.2.2.2. INTERMEDIATE RESULT 2.2: STRENGTHEN VERTICAL AND HORIZONTAL VC LINKAGES AND BUILD CAPACITY

Activity 10 Provide Business Development Services

In December, a Request for Proposals (RFP) for Business Development Services (BDS) was published to provide technical assistance to PSDAG grantees. The goal of the BDS technical assistance is to help PSDAG grantees achieve the results of their business plans and follow through on their growth strategies. The long term objective is to enable grantees to source capital from private sources based on demonstrated financial performance and business management capacity. Bids will be reviewed in January 2016.

Activity 11 Strengthen Aggregation and Post-Harvest Handling

World Food Program Patient Procurement Platform

On December 4, PSDAG attended the launch of the Patient Procurement Platform (PPP). This is an initiative by World Food Program (WFP) and associated partners in support of consistent market access for smallholder farmers. PPP's goal is to establish pro-smallholder agricultural value chains in partnership with public and private off-takers and input providers and other commercial actors. Rwanda is one of the first pilot countries for this program, along with Tanzania and Zambia. The Rwanda PPP will link 47 cooperatives with membership of over 17,000 farmers to off-take demand beyond the purchasing needs of WFP. The participating cooperatives in Rwanda committed to aggregate a total of 8,225 MT of high quality maize during the post-harvest period of March-May 2016. WFP is seeking partnership with PSDAG to support 38 cooperatives in provision of post-harvest equipment through the grants mechanism for season 2016-A. In December, PSDAG prepared a new RFA for maize cooperatives that would be participating in the PPP. In January, PSDAG will issue the RFA, conduct an applicant's conference, and select grantees for this program.

Potato Collection Center Upgrade and Farmbook Grants

In October, as part of the pre-award assessment process, further financial and environmental reviews were conducted for 15 shortlisted cooperatives to participate in the MINICOM-supported Potato Collection Center project. In addition, the PSDAG staff collaborated with MINICOM and other donor partners regarding the delivery of support to the collection centers over the next year (see section on Partnerships and Linkages).

From the financial review exercise, six (6) cooperatives supporting ten (10) collection centers were determined to have met PSDAG cost-share requirements, and were recommended for award of a grant. The remaining nine

(9) cooperatives need assistance with access to financial services and were linked with PSDAG Access to Finance staff for support.

On November 30, USAID approved grants for all the six cooperatives as presented in Table 1.

Table 1: Summary of approved PCC Upgrades and Farmbook Grants – Batch 1

| Cooperative Name | District | # of PCCs | # of farmers | # of male farmers | # of female farmers |
|--|----------|-----------|--------------|-------------------|---------------------|
| INYENYERI Y'UBUZIMA KINONI | Burera | 1 | 126 | 42 | 84 |
| Cooperative Ibukwa Muhinzi (COIMU) | Nyabihu | 5 | 365 | 321 | 44 |
| Cooperative des Agriculteurs de Pommes de Terre (COAPOM) | Burera | 1 | 65 | 31 | 34 |
| Cooperative Muhinzi Tuzamurane Birashoboka (KMTB) | Nyabihu | 1 | 297 | 249 | 48 |
| Cooperative pour la Valorization des Marais de Burera (COVMB) | Burera | 1 | 1425 | 921 | 504 |
| Cooperative des Agriculteurs de Pomme de Terre at de Blé (COAPB) | Musanze | 1 | 69 | 64 | 5 |
| Total | | 10 | 2,347 | 1,628 | 719 |

Grant agreements were prepared and a grant signing ceremony was conducted on December 10.

Implementation of grants

In December, PSDAG began grant implementation, which included initiating procurement of Farmbook tablets and finalization of selection of Cooperative Marketing Agents with the help of PSDAG Field Managers. Training on the use of Farmbook will begin with the Marketing Agents in January.

Activity 12 Support the Testing and Adoption of New Technologies

Grain Drying Technology

On December 15, PSDAG hosted maize value chain stakeholders meeting (from public and private sectors) to allow a consultant from ACDI/VOCA to present a new mobile grain dryer technology, called AfloStop, for maize. The main objective of the meeting was to facilitate sensitization of the private actors about this innovative and cost-effective mobile grain dryer technology that is being tested in Kenya. This is in line with PSDAG's strategy of piloting various innovative agricultural technologies which are affordable and easily maintained by cooperatives and aggregators. The meeting was attended by 54 people drawn from both public and private actors including processors, big buyers, cooperatives, financial institutions, the Ministry of Agriculture (including the Permanent Secretary) and its agencies, and other donors. During the meeting, Ms. Walker made a presentation on features of the new mobile grain dryer technology, which comprises of the following main features:

- Investment cost around USD \$750 – \$1,200 (informal vs formal);
- Can dry between 1.5 – 2.5 MT per day;
- Uses 8 – 10 kg maize cobs per hour and one liter of petrol for 4 hours;
- Can be transported by trailer, pick up, donkey cart, motor bike, and
- Manufacturing requires some specialized skills but can be built by the local informal sector.

As mentioned under Activity 8, PSDAG analysed the affordability and feasibility of various types and combinations of post-harvest handling of equipment proposed by grantees. Other new post-harvest handling technology to be tested includes solar bubble driers, collapsible driers, ultrahermetic cocoons, and PICs bags. PSDAG will add the cost-benefit analysis of the AfloStop mobile drying technology to this analysis. In addition,

PSDAG will test AfloStop side-by-side with the other grain drying technology under a partnership with Minimex and IFC.



Photo 4: ACDI/VOCA consultant making a presentation to stakeholders on December 15, 2015 at PSDAG offices.

Activity 13 Support the Establishment of Ancillary Businesses

No significant activities were recorded this quarter, though the project is evaluating a grant to INES Ruhengeri that would increase the quantity and quality of potato seeds produced and available for seed multiplication in Rwanda.

Activity 14 Support Processing and Value Addition

PSDAG entered into a partnership with Hollanda Fair Foods, which is currently processing and selling WINNAZ chips in all major retail outlets in Rwanda, ranging from large supermarkets such as Nakumatt and Sawa Citi to the street corner grocery stores. Currently the company is only producing salted chips but would like to introduce other flavors and expand sales to regional markets in order to be more competitive with other brands. With the support of the PSDAG VCCG grant, the company’s capacity will increase to 35 million bags per year sourced from 600 smallholder farmers. This means that the company will be able to grow significantly and capture a bigger portion of the local market, while also being able to extend to regional market in Eastern and Central Africa. This would mean a stronger company with a greater capacity, which also becomes interesting for serious investors from the region, the continent and beyond. The company expects to begin increasing processing capacity by April.

PSDAG partnered with Kigali Farms on the first button mushroom production facility in East Africa. The company has focused so far on oyster mushrooms, easily cultivated by out-growers; with revenues of USD \$150,000 in 2014. The company produces and distributes high quality inputs, trains growers, and finds markets for the mushrooms. Button mushrooms make up the bulk of mushroom production worldwide. They are harder to grow but are a better known commodity, fetching higher prices. The company has 2ha plant that will produce 250 tons of mushrooms per year, at full capacity, and can be scaled up for little investment. Oyster mushrooms and button mushrooms lend themselves well to processing. The company has also launched a line of mushroom powder based spices and is developing packaged soups. They are now exploring the inclusion of mushroom powder in animal feed and in enriched flours for infants. The move into button mushrooms will allow the company to fulfill its social mission. Button mushrooms provide export revenue. Oyster mushrooms

are incredibly social because they are easily grown by small farmers who can earn \$1 a day on just 50 square meters, and because they bring affordable protein and nutrition to small communities, where they are most needed. The PSDAG grant will assist Kigali farms to build out and operate a commercially successful mushroom substrate and growing plant in Musanze, Northern Province, tightly integrated in the local community. The project intends to work with 800 farmers and export a total of USD \$110,000 of fresh button mushrooms in the first year.

Six (6) additional grants are planned to be submitted in January and February that will support processing and value addition. These are PEBEC, Shekina, Tuzamarane, Norlega, Farm Fresh, and Agasaro.

Activity 15 Assist Value Chain Actors to Build Formal Business Relationships

No significant activities were recorded this quarter. Most grants to be facilitated by PSDAG involve facilitating a formal buyer/supplier relationship.

Activity 16 Use of Information Communication Technology to Provide Production and Market Information

See Activity 11 - Potato Collection Center Upgrade and Farmbook Grants.

Activity 17 Improve Borrower Readiness and Access to Finance

Potato Collection Center Upgrade and Farmbook Grants and Value Chain Competitiveness Grants

In October, nine (9) selected cooperatives were found to have financing challenges in raising their cost-share contribution for the in-kind PCC Upgrade and Farmbook Grants. PSDAG Access to Finance (A2F) team began assisting the cooperatives with linking to potential financial services. By November, six (6) cooperatives, namely; COOMIKI, TERIMBERE, KOABIKI, CAPTIKA, KAIGA and KORANDEBE, were able to source an average of RWF 5 million (USD \$6 K) each for working capital loans or members' contributions. Furthermore, in October, A2F staff attended grant evaluation technical review meetings with prospective VCCG grantees in order to assess their financing needs and the financing needs of their suppliers. The team used the information to link grantees to financial institutions, such as Root Capital, as part of the grant process.



Photo 5: Innocent TWIZERIMANA representative of COAPB PCC and PSDAG COP, shaking hands after signing a grant agreement on December 2, 2015 at PSDAG Office

Annual Private Sector Federation Agribusiness and Post-Harvest Forums

In December, PSDAG staff participated in the Annual Private Sector Federation Agribusiness and Post-Harvest Forums organized on December 2nd, 3rd, 8th, and 9th in Northern, Western, Southern and Eastern provinces, respectively. Each year, the PSF in conjunction with the chamber of Rwanda Farmers hosts the Agribusiness and Post-harvest forums that create a platform for dialogue between farmers, financial institutions, insurance companies, public and private entities in the agriculture sector. This dialogue has created an opportune moment for farmers to express their challenges in access to finance and opportunities to invest post-harvest handling practices being the core of the issues to promoting agribusiness. This year’s agribusiness forum focused on available incentives and facilities for the private sector to finance agriculture investment opportunities identified in Rwanda. Table 2 presents a summary of projects/programs targeting agribusiness financing.

Table 2: Summary of projects/programs with agribusiness financing facilities

| Project/program | Types of incentives |
|---|--|
| MINAGRI/PASP Project | Provides incentives to farmers/investors investing in selected value chains for up to 40%. |
| PSF/LIFAM Agriculture business plan competition | Will provide participants with an incentive of technical assistance of up to 10% of the total loan awarded or 5 million Rwandan francs or lower. |
| PSDAG | Provides grants to investors in selected value chains. |

During these forums, PSDAG presented the background and targeted activities of the project in regards to private sector development. Participants were also informed about PSDAG's published Annual Program Statement for 2016.

1.2.2.3. INTERMEDIATE RESULT 2.3: STRENGTHEN INPUT SUPPLY AND OTHER SUPPORTING SERVICES

Activity 18 Support Agro dealers' Capacity to Deliver Improved Technology and Access Finance

Access to Finance Assessment of Agro-dealers Supported by the Input Subsidy Program

A needs assessment was conducted through the DFAs to identify the access to finance challenges that agro-dealers face. The main challenges identified were poor loan application skills, poor business plans presented to the financial institutions, delays in loan process which hinder the agro-dealers to meet their clients' seasonal input demands, and requirement for collateral assets. As a result of the assessment, 23 agro-dealers from seven (7) districts (Gicumbi, Huye, Gasabo, Rutsiro, Burera, Muhanga and Musanze) expressed need for assistance to access up to 83 million RWF (USD \$110 K) in working capital. In Q2, the A2F team will work with the DFAs and the agro-dealers to facilitate this access.

Activity 19 Assist in the Expansion of Mechanization Services

Access to Finance Assessment for Mechanization Services

In October, consultations were conducted with Voluntary Agricon (VAC), the pioneer mechanization service provider in Rwanda. Basic information on the status of the existing demand and current situation were obtained. In November, Voluntary Agricon shared information of the current client cooperatives and partners. In December, PSDAG A2F team visited 17 cooperatives having partnership with VAC located in three (3) Districts (Kayonza, Kirehe, and Nyagatare) of the Eastern province. The main objective of the visits was to assess the current status of agriculture mechanization and evaluate their financial needs, identify opportunities for PSDAG, and finally identify financial institutions in place ready to finance agriculture mechanization. During field visits, it was found that out of 3,004 ha which required mechanization services, only 1,243 Ha were served. This represents only 41% of the demand. The following factors were identified as the major barrier to access to mechanization services:

- Unsuitable land structure for mechanization, especially in the marshland;
- The demand for mechanization service exceeds the supply capacity of service providers;
- Poor services provided by mechanization service providers;
- Poor service provision by machine repair operators;
- Machines on offer so far are only for land preparation and threshing but there is need for planting, weeding, spraying, harvesting;
- Farmers are required to pre-pay for service, limiting access by farmers who have liquidity constraints at the start of the season; and
- Limited information with regard to costs and benefits of agriculture mechanization preventing smallholder farmers to make informed decisions and adopt this technology.

The PSDAG assessment established that 6 out of 17 cooperatives require additional financial services for mechanization. Currently, only two financial institutions, UoB and KCB, are currently working with VAC to provide financial services to their customers based on valid buyer/supplier contract. In Q2, the A2F team will work with VAC to develop a concept utilizing the grant mechanism and partnering with local financial institutions to provide this much-needed service.

Activity 20 Assist in the Privatization of Large Irrigation Schemes

No activities were recorded this quarter, however it was noted by the MINAGRI EIA that action plans developed by cooperatives in conjunction with MINAGRI during Q3 and Q4 for FY2015 were not being monitored. The PSDAG C2 and EIA teams will follow up in Q2 to find ways to utilize the grant mechanism to assist with the privatization of a 2-3 of these schemes.

Activity 21 Build the Capacity of Financial Institutions

Technical Assistance for Rwanda Development Bank (BRD)

In response to BRD requests, PSDAG mobilized an SITTA to support BRD. PSDAG subsequently held a consultative meeting with BRD to discuss a way forward towards implementation of the agriculture financing strategy and establishment of a functional agriculture department.

In December, PSDAG continued to provide technical assistance to BRD with a focus on developing an Agriculture Financing Operational Plan for the newly established Agriculture Department. The technical assistance entailed conducting an initial assessment to determine the exact gaps and then providing technical assistance to the BRD team to develop an implementation framework for BRD and partner financial institutions. The consultant assessed the bank's need to implement the agriculture financing strategy and developed key outputs and activities the bank needs to do in order to achieve their agriculture financing plan. The bank's team in charge of agriculture will further prioritize and set timelines for the activities. The consultant has submitted the report which will need to be reviewed and approved before sharing with BRD for their action in Q2.

Technical Assistance for Vision Finance Company (VFC)

In October, under the MOU mechanism, PSDAG continued to provide technical assistance to improve agriculture lending at Vision Finance Company (VFC) Rwanda. The Q4 report was shared with VFC. A consultative meeting to discuss a way forward was held between the two institutions. During this meeting the following was agreed:

- A review of the MOU is needed to reflect the market facilitation approach that PSDAG is using;
- PSDAG will share contacts and link VFC with social investors who could give loan to VFC as capital to lend to agriculture clients. This will facilitate scarcity of capital to lend to agriculture that VFC currently faces;
- VFC began implementing some of the recommendations given by the SITTA and will to share status of the progress;
- VFC is currently developing a micro leasing product and wants to pilot warehouse receipt system (WRS); support in product development is needed; and
- PSDAG will link VFC with potential clients identified in grant activities.

In November, PSDAG started to implement some of the agreed items between PSDAG and VFC. PSDAG shared some of the important contacts of potential social investors for VFC to contact in order to explore potential financing opportunities, which included Root Capital, United States Development Foundation (USADF) and East Africa Trade and Investment Hub (EATIH).

In December, following the discussions held with VFC, it was agreed to have a revised MoU between PSDAG and VFC which shall reflect agreed items and specify the role and responsibilities of each party. A final draft of the revised MOU was developed ready to be shared with VFC in January.

Activity 22 Pilot the Use of Other Financial Service Products

No significant activities were recorded this quarter, however two grants will be submitted in January for USAID approval that will expand the use of the warehouse receipt and inventory credit systems.

1.2.2.4. INTERMEDIATE RESULT 2.4: IMPROVE THE ENABLING ENVIRONMENT FOR LOCAL AND REGIONAL PRIVATE SECTOR INVESTMENT

Activity 23 Provide Technical Assistance to the Private Sector to Improve Quality and Efficiency of Public/Private Dialogue

Interventions under this activity for the private sector are dependent on the completion the assignment of the work under Result 1.4.

2. MONITORING & EVALUATION AND CROSS-CUTTING COMPONENTS

2.1. MONITORING AND EVALUATION

Data Collection and Reporting Tools

In October, PSDAG M&E staff reviewed data collection and reporting tools (weekly and quarterly) for the DFAs and developed tools to track value of new investments in agriculture facilitated by the ISU at MINAGRI. In

2.2. SOCIAL INCLUSION

In October, the draft Gender and Social Inclusion Integration Plan was shared with PSDAG staff for inputs and/or comments before finalization. Based on the integration plan, during the month of December 2015, PSDAG finalized a Statement of Work (SOW) for a consulting firm or a consultant to develop a social inclusion curriculum and pilot training for local service providers. The local service providers will then have a chance to bid on a RFP to provide services to PSDAG grantees in developing social inclusion integration plans into their agri-business activities. The SOW was published in late December and the deadline to submit applications is on February 4, 2016.

2.3. CAPACITY BUILDING & KNOWLEDGE MANAGEMENT

Supporting Youth in Agribusiness

In October, a Request for Expression of Interest (REoI) for Youth in Agribusiness support was prepared. However, PSDAG decided to channel all grant opportunities through the Annual Program Statement, which was published in November. The APS was shared with Agrostudies Program Alumni. Special consideration such as reduced cost-share requirements and additional training will be given to grant applications by youth and persons with disabilities and concepts that focus on gender equality or empowering women.

Business Development Services

As noted under Objective 2, Activity 10, PSDAG is in the process of soliciting proposals for Business Development Services (BDS) to provide technical assistance to PSDAG grantees. The goal of the BDS technical assistance is to help PSDAG grantees achieve the results of their business plans and follow through on their growth strategies. The long term objective is to enable grantees to source capital from private sources based on demonstrated financial performance and business management capacity. Bids will be reviewed in January 2016.

2.4. ENVIRONMENTAL COMPLIANCE

In October, PSDAG Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) was finalized and submitted to USAID for approval. Following the training conducted by the USAID Mission Environmental

Officer at the Year 2 Work Plan Kick-off event, PSDAG decided to re-develop the Environmental Mitigation Monitoring Plan (EMMP). A consultant was asked to assist the project to revise the PSDAG EMMP. A final version was resubmitted on December 23, 2015.

3. PARTNERSHIPS AND LINKAGE WITH OTHER PROJECTS

Horticulture Working Group (NAEB and IFC)

PSDAG staff participated in the second Rwandan Horticulture Working Group in October, 2015. NAEB and IFC presented a study commissioned to outline the constraints faced by horticulture¹exporters in Rwanda, and to propose the key strategic interventions that should be taken to address the identified challenges. The Horticulture Working Group meeting agreed to choose the top three (3) challenges and develop a plan to address them. East-African Growers (EAG) noted that they have a market to supply 20MT/week of avocados from November 2015, but the lack of organized supply remained a challenge. In addition, PROXIFRESH observed that due to high costs of inputs and lack of organized farmers, French beans and snow peas are not profitable in Rwanda. PSDAG encouraged horticulture companies to participate in PSDAG grant mechanism to enable them address some of the challenges.

Potato Collection Centers (MINICOM, MINAGRI, and PASP)

In October, a technical meeting was held at PSDAG between PSDAG staff, MINICOM officials (Commodities Value Chains Specialist and Cooperative Development Specialist), and PASP/MINAGRI. The purpose of the meeting was to discuss institutional synergies around the implementation of the new Potato Collection Centers². The group made the following observations:

- PSDAG grants to the collection centers complement efforts of other stakeholders.
- There is need for ongoing information sharing and collaboration between the stakeholders, in order to avoid duplication. MINICOM agreed to organize a meeting with all stakeholders involved in the implementation of the PCCs in order to agree on a coordination mechanism.

Subsequently, on November 4, 2015, PSDAG staff participated in MINICOM's stakeholders' consultative meeting.

On November 17, PSDAG staff attended the official launch of the Kigali Wholesale Market, operated by the Potato Regional Trading Company (PRTC). The company has initiated business partnerships with PCCs recently formed by MINICOM. RPTC will buy 40 shares (corresponding to 40%) in each PCC while all PCCs will buy 16 shares (corresponding to 40%) of shares in RPTC. The PCCs have signed contracts with local cooperatives to buy potatoes that will then be sold to RPTC on a contractual basis.

World Food Program Patient Procurement Platform

As mentioned under Objective 2, Activity 11, WFP is seeking partnership with PSDAG to support 38 cooperatives in post-harvest equipment through grants mechanism in the season 2016-A. PSDAG issued RFA

¹ Green beans, snow peas, chilies, avocado, passion fruits, baby banana and eggplant

² The policy is a result of consultations among private players in potato trading that was co-facilitated by FECOPORWA, MINICOM and MINALOC.

to upgrade maize cooperatives' aggregation centers that will be formally linked through contracts with off takers.

SPARK

On November 13, 2015, PSDAG held a meeting with SPARK³ in order to share operational strategies and identify possible areas of synergy. SPARK is coordinating a Cooperative Support Program (CSP) supporting a total of 99 agribusiness cooperatives working on maize, beans, horticulture and Irish potatoes value chains. Out of 18 potatoes cooperatives coached by SPARK, four cooperatives⁴ will receive PSDAG support for piloting Farmbook suite and PCCs upgrades. SPARK is interested in leveraging the VCCG to provide additional support to their remaining cooperatives.

International Conference on Promoting Innovations and Trade in Horticulture

PSDAG staff attended the Agriprofocus international conference on Promoting Innovations and Trade in Horticulture, which was held in Kigali from 23 to 25 November 2015. This event was attended by over 100 participants drawn from Government, NGOs, donors, private sector and farmers from Uganda, Zambia, Tanzania, Burundi, and Rwanda. The themes covered included horticultural productivity, market access, horticulture finance, and regional trade in horticultural products. The forum also discussed some cross cutting issues in terms of partnership in the sector and how to make sure horticultural value chains offer good jobs for women farmers and workers; and for the youth. PSDAG used this forum to encourage horticulture companies to participate in the PSDAG grant program (by responding to the FY2016 APS) to enable them to address some of their challenges.

SMART Greenhouse Launch

PSDAG also participated in the official launch of the SMART greenhouse on November 25. The launch of this innovative technology was held at RWANDA BEST Ltd.'s farm in Rulindo District and was led by the Minister of State for Agriculture, and managers from Dutch and Rwanda partners. SMART Greenhouse project is a Public Private Partnership (PPP) initiative involving Dutch companies led by Green Port Holland International, with RWANDA BEST Ltd acting as the local partner, MINAGRI providing extension services, and the Dutch Ministry of Foreign Affairs providing partial funding under the Dutch Global Food Security Initiative (FDOV). The SMART Greenhouse is a model that was designed by a consortium of Dutch greenhouse technology and input suppliers and based on research conducted by Wageningen University (Netherlands). The greenhouse is currently only producing tomato plantlets, which are then planted into individual pots filled with pasteurized substrate made of soil and rice paddy mixture. In Q2, PSDAG staff will conduct an analysis on the feasibility of various types of greenhouses currently being utilized in Rwanda in order to inform possible grant opportunities to expand this type of technology.

Global GAP Certification Awareness Workshop

During the month of November, PSDAG participated in Global GAP certification awareness workshop, organized by PSF under the EU-funded Horticulture Trade Enhancement and Certification (HORTEC) project. During the workshop, technical presentations were made by Rwanda Standard Bureau (RSB), NAEB, Farm to Fork Consulting (F2F). Based on fact finding field mission undertaken by F2F, Rwanda was found to have a huge potential for horticulture development. However, internal horticulture markets remain inefficient and costly due to lack and poor agro logistics supporting horticulture markets supply chain and huge post-harvest losses. Exporting to foreign markets continues to be constrained by lack of cost effective logistics, traceability and certification. Currently, Rwanda has no single GAP certified farm while Uganda has 2, South

³ Dutch NGO that supports enterprise development initiatives.

⁴ Inyenyeri y'Ubuzima & COAPOM in Burera District, KOABIKI in Musanze and KMTB in Nyabihu District.

Sudan has 1, Tanzania has 27, Egypt has 563, while Kenya has 2,021. The HORTEC project is funded by the European Union (EU) and is to be implemented by PSF with focus on four crops: Avocados, Macadamia, Chilies and Mangoes; exporters being the custodian. HORTEC will assist private sector in these value chains to meet terms of certification and enable them to comply with export markers requirements. In Q2, the PSDAG team will work with HORTEC and PSF on opportunities to assist private sector in achieving these certifications.

Association of Microfinance Institutions in Rwanda (AMIR)

In October, PSDAG Lead Finance Facilitator participated in a workshop organized by Association of Microfinance Institutions in Rwanda (AMIR) where a cash flow based lending methodology for SMEs was demonstrated and results of a pilot were shared. This lending method was piloted by ten (10) Micro Finance Institutions (MFIs) and six (6) of them successfully implemented the program for one year. MFIs that adopted the cash flow based lending strategy shared some of the benefits of the methodology including:

- More loans to SMEs were provided;
- The tool encourages transparency between lenders and borrowers;
- MFIs have a better understanding of the enterprise this creating a more robust partnership between the MFI and clients, reducing the risks;
- It facilitates minimization of loan default levels since loan decisions are made based on thorough assessment of the business entity's cash flow.

PSDAG will take this model into consideration when engaging MFIs or banks interested in providing financing for PSDAG grantees.

Agriculture Financing Conference by Access to Finance Rwanda

In addition, PSDAG Lead Finance Facilitator participated in organizing the first Agriculture Financing Conference in Rwanda with Access Finance Rwanda. The two day conference brought together the Government of Rwanda (GoR), financial service providers, financial market facilitators, private sector players in the agriculture value chains and other practitioners to share lessons learned, challenges, and draw conclusion on the way forward to address some of the identified challenges. Insights from the conference will help PSDAG in its A2F interventions in promoting alternative financing mechanisms suitable for agriculture financing.



Photo 6: Mr. George Odhiambo -KCB Bank Rwanda making remarks at the Access to Finance Rwanda Conference, which PSDAG supported, at Umubano Hotel on October 7, 2015

ANNEX I: AMOUNT OF FERTILIZER SOLD BY AGRODEALERS FOR THE PERIOD OCTOBER –DECEMBER, 2015

| Period (Months) | Fertilizer supplied by importers to agrodealers | | | | | | Fertilizer sold by agrodealers to farmers | | | | | |
|-----------------|---|------------------|------------------|---------------|----------|------------------|---|------------------|------------------|---------------|----------|------------------|
| | DAP (Kg) | UREA (Kg) | NPK | KCl (Kg) | TSP (Kg) | Total (Kg) | DAP (Kg) | UREA (Kg) | NPK | KCl (Kg) | TSP (Kg) | Total (Kg) |
| October | 818,093 | 587,655 | 467,325 | 26,685 | - | 1,899,758 | 961,678 | 532,096 | 353,824 | 20,618 | - | 1,868,215 |
| November | 519,527 | 534,671 | 643,667 | 14,280 | - | 1,712,144 | 926,204 | 686,679 | 748,702 | 6,627 | - | 2,368,211 |
| December | 408,015 | 432,621 | 998,313 | 9,005 | - | 1,847,956 | 698,187 | 837,861 | 1,214,564 | 13,438 | - | 2,764,049 |
| Oct-Dec | 1,745,635 | 1,554,947 | 2,109,305 | 49,970 | - | 5,459,858 | 2,586,069 | 2,056,636 | 2,317,090 | 40,683 | - | 7,000,475 |

Source: DFA Monthly Reports

ANNEX II: PSDAG FY2016 ANNUAL PROGRAM STATEMENT

| ANNUAL PROGRAM STATEMENT AND REQUEST FOR CONCEPT NOTES | |
|--|--|
| PROJECT DESCRIPTION | The Rwanda Private Sector Driven Agriculture Growth (PSDAG) is a 5-Year project funded by USAID Rwanda that started in August, 2014. The goal of PSDAG is to increase smallholder farmers' incomes by promoting private sector investments that contribute to the Government of Rwanda's (GoR's) Vision 2020 aim of "transforming agriculture into a market-oriented, competitive, and high-value sector." PSDAG has two main objectives: 1) Assist the GOR to Increase Private Sector Investment; and 2) Facilitate Increased Private Sector Investment in Upgrading Agricultural Value Chains. |
| DESCRIPTION OF THE ANNUAL PROGRAM STATEMENT (APS) | <p>The PSDAG program is seeking to develop strategic partnerships with the private sector to increase investment in agriculture and to expand economic opportunities for smallholder farmers through more competitive value chain market systems. For the FY2016 period, October 2015 to September 2016, PSDAG will focus on four core value chains, namely: Irish potatoes, Beans, Maize, and Horticulture (fruits, vegetables, and nuts).</p> <p>The Annual Program Statement (APS) sets forth the objectives for the PSDAG project for FY2016 and solicits Concept Notes from eligible organizations/value chain actors in the private sector seeking to partner with PSDAG to provide innovative solutions for upgrading the selected value chains. PSDAG will assist with funding these opportunities through Value Chain Competitiveness Grants (VCCG) to be offered on a cost-share basis. PSDAG encourages business models that:</p> <ul style="list-style-type: none"> • Have clearly defined and quantified a verifiable market / buyer opportunity; • Improve linkages between value chain stakeholders (agro-input suppliers, producers, aggregators/traders, commercial buyers, and logistics/transport companies); • Utilize investment in technology to provide stakeholders improved access to goods and services, improve quality of goods and services, and / or improve productivity; • Provide platforms of scale to reach large numbers of small holder farmers; • Improve farm gate and agribusiness sales and income; • Promote gender equality and/or empower women, youth, and persons with disabilities to engage in agri-business activities. |

| | |
|--|--|
| <p>ELIGIBILITY AND MINIMUM REQUIREMENTS</p> | <p>To be eligible and competitive, partners must meet the following minimum eligibility requirements:</p> <ul style="list-style-type: none"> • Submit a Concept Note with required documents • Be a U.S. and/or Rwandan nongovernmental organization and/or entity provided they are legally registered and recognized under the relevant country laws such as: <ul style="list-style-type: none"> ○ Private enterprises or firms; ○ Agricultural based associations and cooperatives; ○ NGOs (non-profit); ○ Foundations, research institutes and universities; and ○ Legally-organized associations/syndications of the above organizations. • Demonstrate that the proposed investments contribute to PSDAG’s Objective 1 or 2 results and the specific objectives of this APS. • Demonstrate ability to provide adequate cost-sharing of new project investment |
| <p>APPLICATION PROCEDURES</p> | <p>The PSDAG project team will receive and review Concept Notes submitted in response to this APS, <u>on a rolling basis until the closing date of this APS</u>. Partners will be selected on a competitive basis.</p> <p>Interested partners should send their enquiries to grants@psdag.rw for concept note instructions and detailed grant award process. This information can also be obtained at PSDAG office located on 684 St, No.19, Kacyiru, Kigali.</p> |

ANNEX III: PSDAG IN THE NEWS

KIGALI TODAY Amakuru | Ima

Irembo | Mu Rwanda | Ubukungu | Ubuzima | Uburezi | Ikoranabuhanga | Ubuhinzi | Umufekano | Umuhanzi

Irembo | UBUHINZI | UBUHINZI |

Gahunda y'ikoranabuhanga mu makusanyirizo yitezweho byinshi n'abahinzi b'ibirayi

Yanditswe na Emmanuel N. Hitimana 10-12-2015 • 17:14'

Ibitekerezo (1)

Share This | Facebook | Twitter | LinkedIn | Email

Gahunda nyaha yashyizweho na Ministeri y'Ubucuruzi n'Inganda yo gucuruza ibirayi hifashish amakusanyirizo izanye ibisubizo ku bibazo abahinzi b'ibirayi bari bafite.

Ibi bizatuma inyungu bakura kuri iki gihingwa ziyongere, nk'uko byatangajwe n'ubuyobozi bw'umushyi (Private Sector Driven Agricultural Growth), kuri uyu wa kane tariki 10 Ukuboza 2015.



Abahagarariye amakooperative afandatu yatoranyijwe bari baje gusinya amasezerano y'imikoranye n'USAID.

Uyu mushinga w'igiko cy'Abanyamerika kita ku iterambere mpuzamahanga (USAID), uguye gutangiza y'ikoranamubuhanga yitwa Famboko (igitabo cy'umuhinzi) cyakorewe gufasha abahinzi kwongera ur n'amahinwe yo guhangana ku masoko, mu rwego rwo gufasha imikoreze myiza y'aya makusanyirizo.

Byagaragajwe ko zimwe mu nzitizi zibasiye abahinzi b'ibirayi harimo kutabona cyangwa kutabonera ku gihe amukuru y'ibiro ku masoko, kugira ngo abahinzi bashobore kugurisha umusaruro ku igiciro kiboneye.



RWANDA PRIVATE SECTOR DRIVEN AGRICULTURAL GROWTH (PSDAG) PROJECT



Member of KABOKU Maize Cooperative in Nyagatare District, Eastern Province thrilled about new shellers acquired through the PSDAG Post-Harvest Handling Grant

The PSDAG project is seeking to develop strategic partnerships with the private sector to increase investment in agriculture and to expand economic opportunities for smallholder farmers through more competitive value chain market systems. **PSDAG primary objectives are to: (1) assist the Government of Rwanda (GoR) to increase private sector investment, and (2) facilitate increased private sector investment in upgrading agricultural value chains.**

For the FY 2016 period (October 2015 to September 2016), PSDAG will focus on four core value chains, namely: Irish Potatoes, Beans, Maize, and Horticulture (i.e., fruits, vegetables, and nuts).

PSDAG will support businesses seeking to invest in upgrading agricultural value chains with an approach that is adaptive, scalable, sustainable, and focused on market-driven outcomes through Value Chain Competitiveness Grants (VCCGs). These grants will be offered on a cost-share basis, and partners will be selected on a competitive basis.

VCCGs may be used to cost-share on investment in new technology (information and communications technology [ICT] solutions, equipment, and machinery); expert technical assistance; and educational outreach campaigns linked to promoting agribusinesses.

ELIGIBILITY CRITERIA

- Submit a **Concept Note** with required documents
- Be a legally registered and recognized U.S. and/or Rwandan private organization and/or entity, such as:
 - Private enterprises or firms
 - Agricultural-based associations and/or cooperatives
 - Non-governmental organizations (NGOs) (non-profit)
 - Foundations and research Institutes and universities
 - Legally organized associations/syndications of the above organizations
- Demonstrate that the proposed investments **contribute to PSDAG's Objective 1 or 2 results and the specific objectives of this APS**
- Demonstrate ability to provide adequate cost-sharing of new project investment

ENCOURAGED BUSINESS MODELS



Clearly defined and quantified and a verifiable market/buyer opportunity.

Platforms of scale to reach large numbers of smallholder farmers.

Relationship building/ linkages between target value chain stakeholders/ actors.

Investment in technology for improved access to goods and services/ productivity.

Engagement of women, youth, and persons with disabilities in agribusiness activities.

CONCEPT NOTE INSTRUCTION

The Concept Note does not need to be more than five (5) pages long and should include:

- APS number/title
- Address, locations, and point of contact information
- Description of the organization and its main activities (history of operation)
- Description of the grant project proposed and how it will further PSDAG objectives to provide innovative solutions for upgrading the selected value chains
- Expected results from this activity and who will benefit from it (include the objectives, method of approach, and proposed duration of the activity)
- Describe why a PSDAG cost-share grant funding is needed for this activity; the total amount of funding needed to implement the proposed activity (type of support requested, such as funds, equipment, materials, technical assistance, etc.); and the cost-share the applicant proposes and how that cost-share should be provided.
- Demonstrate how the activity will be sustained after PSDAG funding has ended

Concepts Notes can be sent to grants@psdag.rw or brought to the PSDAG office.

SOCIAL INCLUSION

USAID's development vision is a world in which women and men, youth, and persons with disabilities enjoy economic, social, cultural, civil, and political rights and are equally empowered to secure better lives for themselves, their families, and their communities.

Within that context, special consideration will be given to concepts that promote gender equality and/or empower women, youth, and persons with disabilities to engage in agri-business activities.

GRANTS PROCESS TIMELINE – MINIMUM OF 60 DAYS



KEY CONTACTS

Implementing Partner: IFG/Engility

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